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UNCLAS SECTION 01 OF 03 MEXICO 000138

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SENSITIVE
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STATE FOR WHA/MEX, WHA/EPSC, AND S/CT
DHS FOR A/S STEPHAN
DOE FOR IA LOCKWOOD AND WARD
DOE FOR A/S KOLEVAR

E.O. 12958: N/A
TAGS: [ENRG](#) [EPET](#) [MX](#)
SUBJECT: MEXICAN OFFICIALS DISCUSS COOPERATION ON ENERGY
INFRASTRUCTURE PROTECTION

Introduction and Summary

1. (SBU) Representatives from the Department of Energy (DOE), the Department of Homeland Security (DHS), and Embassy Mexico met with Mexican Secretariat of Energy officials, as well as Senior Executives from Pemex, the Mexican oil and gas monopoly, and the Federal Electricity Commission (CFE) on December 13 to discuss the July and September 2007 attacks on Mexican pipelines, as well as possible areas of cooperation between the U.S. and Mexico on Critical Energy Infrastructure Protection. Raul Livas, Pemex's Chief Operating Officer, speaking for Mexico said coordination between Pemex officials and the Army and local law enforcement must improve, Mexico needed to reevaluate the security threat posed by its critical infrastructure facilities and plan exercises better.

Energy Secretariat officials requested that DOE and DHS officials share the question set they used to evaluate facilities. U.S. officials reiterated their invitation to Mexican Energy Secretary Kessel to visit Sandia Labs to see first-hand technological advances in U.S. Critical Infrastructure Protection, and promise to consider the Mexican requests. Both sides agreed to follow up the discussion by conference call. End Introduction and Summary.

Conclusions

2. (SBU) Mexican officials outlined several of their concerns. They told U.S. officials they needed to coordinate intelligence sharing between disparate organizations and operating groups including Pemex, CFE, local police, the federal police, and the Mexican Army (SEDENA) more effectively. Mexican officials suggested they wanted work to develop the protocols required to share information on Critical Infrastructure Protection between these groups. As a part of this concern, Pemex Chief Operating Officer Raul Livas told the U.S. delegation that Pemex needed to find a better way to work with local law enforcement, as well as revamping contingency plans. Livas added that Pemex needed help handling sensitive information about its facilities, specifically, how and when to share that information with local law enforcement. The forces protecting facilities are segmented. There is a need to give "operating information" to those protecting the facilities. Second, SENER and Pemex officials agreed that Mexico needs a nationwide evaluation of facilities looking specifically at security concerns rather

than looking at security through the safety optic as had been done previously. Finally, all sides wanted to plan exercises more effectively to better highlight the coordination between Pemex and CFE.

¶3. (SBU) Responding to the Mexican delegation's concerns, the U.S. delegation noted that U.S. officials would welcome additional meetings on the topic of infrastructure protection. They reiterated the U.S.'s earlier invitation to Mexican Energy Secretary Georgina Kessel to visit Sandia National Laboratory in New Mexico to learn more about U.S. technical advancements in infrastructure protection. The U.S. side also noted that it would like to discuss reconciliation of security and safety, and would be available to share experience with Mexican officials on enlisting the cooperation of private sector organizations and other actors. Finally, U.S. officials also suggested discussing the transformation of the energy industry and the effect of that transformation on critical infrastructure protection in North America.

¶4. (SBU) While the Mexican delegation was not in a position to agree, it suggested that U.S.-Mexican discussions on Critical Energy Infrastructure Protection could also include examining the DOE's Critical Infrastructure model from a systemic point of view. Such an examination would help Mexican officials better understand U.S. methodology. The Mexican side also requested that the DOE/DHS group share the list of questions that U.S. assessment teams use, as well as brief them on U.S. methods in evaluating a facility. U.S. officials pledged to review these requests and respond.

¶5. (SBU) At the conclusion of the meeting, both sides agreed that next steps would include follow-up conference call to discuss direct contacts in various sub-sectors of

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critical infrastructure protection, as well as an exchange of ideas on how best to move forward.

Background Discussion

¶6. (SBU) Following a brief presentation by Eric Puype, Chief of the Vulnerability Assessment Branch in the Protective Security Coordination Division Office of Infrastructure Protection of DHS on an earlier U.S. assessment of a Pemex and CFE facility, Raul Livas said that increased discussion of critical infrastructure came as Mexico reacted to the pipeline attacks of July and September 2007. Livas called those attacks a "wake-up" call, as they showed that terrorists could and would target Mexican infrastructure. After 9/11 the Mexican government had developed a list of critical infrastructure, classifying facilities according to the importance of the functioning of the Pemex "system," though not their overall effect on the economy. He added that most termed critical infrastructure in Mexico was guarded by the military (SEDENA). The July and September 2007 attacks -- against unmanned facilities -- changed the apparent nature of the threats that the government faced. Almost all of Mexico's critical infrastructure was government-owned and controlled through the Executive Branch; nevertheless, private facilities must also be involved in any new security protocols.

¶7. (SBU) Livas added that Mexico had to reassess its internal policies, and direct resources to protecting unmanned facilities. Emergency response had originally been planned as a safety, rather than as a security measure, with a bias in contingency planning towards safety, with security measures incorporated into the safety plan as an afterthought. The situation was complicated by the fact that the word "seguridad" in Spanish means both security and safety. The result was, according to Livas, that not enough attention was paid to security in contingency planning. In general Livas felt that Pemex was "very vulnerable" to

attacks. He was conducting an overall look at redundancy at Pemex system-wide including at inventory levels as well as alternate routes.

¶18. (SBU) Livas described the July and September attacks as "worse on clients" than on Pemex itself. Attackers were able to stop economic activity. Pemex had not previously looked at the effect on overall economic activity and communities, but only at the risk suffered by Pemex, Pemex officials would now have to do that analysis. The analysis would have to look at the overall consequences and the probability of different types of attacks.

¶19. (SBU) Responding for the U.S. delegation Puype noted that the DHS/DOE methodology considered recoverability. Private facilities had to be part of the security protocols. Security must be the responsibility of everyone. U.S. officials must cooperate at all levels, Army, Local Law Enforcement, etc. He said the entire U.S. is moving into improved intelligence and security policy.

Comment

¶10. (SBU) While Pemex and SENER officials seemed truly interested in DHS/DOE methodology and expertise, and we believe want to follow up, SENER remains woefully understaffed to take on its traditional function of overseeing Mexico's oil and gas and electricity monopolies and this added task of overseeing critical infrastructure protection. Working against any significant further cooperation on energy infrastructure protection is the attention demanded by upcoming debates on energy reforms, Pemex and SENER's likely inability to interact with the Army, which is ultimately responsible for protecting energy facilities, and the difficulty of closer cooperation with the U.S. on a sensitive national security issue. Nevertheless, the active participation and involvement of one of Pemex's most senior officials does underscore the seriousness with which the attacks were taken. Ongoing efforts by DOE to coordinate interagency response on critical energy infrastructure (recent exercises and work in Trinidad and Tobago) may help to pull together a more concerted response in Mexico.

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